

VZCZCXRO3719
OO RUEHGH
DE RUEHUL #0146/01 0330729
ZNR UUUUU ZZH
O 020729Z FEB 10
FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6906
RUCPDO/USDOC WASHDC 9662
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC//DDI/OEA//
RHHMUNA/USCINCPAC HONOLULU HI//FPA//
RUEKJCS/SECDEF WASHINGTON DC
RUEKJCS/JOINT STAFF WASHINGTON DC
RUEKDIA/DIA WASHINGTON DC//DB-Z//
RUEHMO/AMEMBASSY MOSCOW 0742
RUEHBJ/AMEMBASSY BEIJING 7224
RUEHKO/AMEMBASSY TOKYO 7290
RUEHGH/AMCONSUL SHANGHAI 1732
RUEHSH/AMCONSUL SHENYANG 5576
RUEHIN/AIT TAIPEI 4501
RUEHGP/AMEMBASSY SINGAPORE 7709
RUCNDT/USMISSION USUN NEW YORK 1970
RUEHGV/USMISSION GENEVA 0055
RUEHLO/AMEMBASSY LONDON 2343
RUEHFR/AMEMBASSY PARIS 2960

UNCLAS SECTION 01 OF 03 SEOUL 000146

SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [MARR](#) [ECON](#) [KPAO](#) [KS](#) [US](#)

SUBJECT: SEOUL - PRESS BULLETIN; FEBRUARY 2, 2010

TOP HEADLINES

Chosun Ilbo

Hyundai Heavy Industries' Labor Union to Reduce Number
of Full-Time Union Members by a Third

JoongAng Ilbo

Possibility of Short-Range Missile Launch by N. Korea;
North Designates Additional "No-Sail" Zones

Dong-a Ilbo

Most Students Admitted to Seoul National University This Year Are
Graduates of Special-Purpose High Schools

Hankook Ilbo

Problems at Toyota, JAL Taint Japan Inc.'s Image

Hankyoreh Shinmun

Trade Deficit Tops \$470 Million

Segye Ilbo

Steep Rise in Prices for Public Utilities; ROKG's Promise
to Regulate Public Utility Rates Just Empty Words

Seoul Shinmun

U.S. to Strengthen Long-Range Strike Capability
against China's Threats

DOMESTIC DEVELOPMENTS

The two Koreas held working-level talks yesterday over the operation
of the joint Kaesong Industrial Complex in the North, but failed to
narrow their differences. The ROK wanted to discuss the issues of
border passage, customs clearance and telecommunications, but the
North insisted on discussing wages hikes for its workers at the
complex. (All)

According to military sources, the North designated five additional
"no-sail" zones off the country's west and east coasts on Jan. 31,
raising concerns over the possibility of a short-range missile

launch. (All)

The ROK Navy inaugurated its first Aegis destroyer-led squadron yesterday in an effort to develop its blue-water operational capability beyond coastal defense. (All)

According to the Supreme Prosecutors' Office, c-o-n-f-i-d-e-n-t-i-a-l military information including the location of North Korea's radar installations collected jointly by the ROK and the U.S. was leaked by an ROK military officer. (JoongAng, Hankook)

INTERNATIONAL NEWS

The Pentagon, in its latest Quadrennial Defense Review (QDR), reportedly viewed North Korea's and Iran's ballistic missile tests as the first threat, and said that geographic containment of "areas of concern" will be necessary to prevent the proliferation of weapons of mass destruction. (Hankyoreh)

MEDIA ANALYSIS

N. Korea

All ROK media gave play to North Korea's Jan. 31 designation of five

SEOUL 00000146 002 OF 003

additional "no-sail" zones off the country's west and east coasts. This latest move by the North followed its declaration on Jan. 25 of two "no-sail" zones near the Northern Limit Line (NLL) in the Yellow Sea, the de facto inter-Korean sea border. According to media reports, the ROK placed the military on high alert for the possibility of a short-range missile launch by the North.

Yesterday's inter-Korean working-level talks over the operation of the joint Kaesong Industrial Complex also received wide press coverage. According to media reports, the talks ended without agreement, with the North insisting on discussing wage hikes for its workers at the complex while the ROK wanted to address the issues of border passage, customs clearance and telecommunications.

With regard to growing talks of a possible inter-Korean summit, sparked by President Lee's remark that he may meet with North Korean leader Kim Jong-il this year, conservative Chosun Ilbo quoted an ROKG source as saying: "Pyongyang would prefer June 15, the 10th anniversary of the first inter-Korean summit, as the summit date. But we want to achieve important progress in denuclearizing the Korean Peninsula on the 60th anniversary of the outbreak of the Korean War." The report went on to say: "However, experts say that the anniversary of the war is not an ideal date since it started with an invasion from North Korea, making Liberation Day (August 15) a far likelier option."

-Taiwan Arms Sale

Conservative Chosun Ilbo carried an article entitled "China Declares Sanctions against U.S. Companies that Sell Taiwan Weapons; U.S. 'Will Not Yield.'" It said: "Washington seems to view the Chinese move as aimed at taking the initiative in bilateral relations, so it will not likely retract its decision to sell weapons to Taiwan. However, there is a possibility that the U.S. may adjust the timing and size of its arms sales to Taiwan."

Conservative Dong-a Ilbo wrote in the headline: "'U.S., Don't Sell Weapons to Taiwan;' 300 Million Chinese Give Signatures to Protest U.S. Arms Sales"

OPINIONS/EDITORIALS

ROK, U.S. SHOULD RUSH TO RATIFY KORUS FTA

U.S. President Barack Obama said that if congressional ratification of the Korea-U.S. Free Trade Agreement (KORUS FTA) is delayed any further, there will be a cost to U.S. companies (in terms of lost business opportunities). He added, "The European Union (EU) is about to sign a trade deal with the ROK. The Europeans might get in there (ROK) before we do." In his State of the Union address, Obama said that the U.S. should "strengthen its trade relations with key partners like the ROK, Panama and Colombia." In the past, the U.S. government had expressed concern over auto provisions in the deal.

It is hard to believe whether this U.S. change in attitude is genuine. President Obama did not specify when he will move to seek congressional approval for the agreement. U.S. government officials also are taking a passive approach to ratification of the trade deal. U.S. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell called on the ROK to remain patient in the ratification of the pending free trade deal, adding that the two countries will have to "wait and see." Even though the U.S. voices dissatisfaction with the auto provisions, it has not yet come up with any "benchmark" for review or specific demands.

The KORUS FTA has languished in Congress for more than two and a half years after both countries signed the agreement. Last year, President Lee Myung-bak said, "If there are any problems in the automobile sector, we are ready to resolve this issue." President Obama emphasized, "We will double our exports over the next five

SEOUL 00000146 003 OF 003

years, an increase that will support two million jobs in America." Therefore, the U.S. is very likely to actively move towards (ratification of) the KORUS FTA, brightening the prospects for the accord.

In the U.S., there is the proverb "Make hay while the sun shines." President Obama said, "If the U.S. sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores." This remark is right. Now things are turning positive for ratification of the KORUS FTA. We should not engage in renegotiation which may require an overhaul of the agreement. Instead, the two countries should resolve any problems in a wise manner, for example, by amending the annex, exchanging side letters or signing a voluntary agreement between industrial sectors. This is the time for President Obama to make a decision (to move the FTA forward.)

ROK, U.S. SHOULD REVISE BILATERAL ATOMIC ENERGY AGREEMENT BASED ON THE SPIRIT OF ALLIANCE
(Dong-a Ilbo, February 2, 2010, Page 35)

The ROK and the U.S. have started early-stage discussions to revise the bilateral peaceful nuclear cooperation agreement. Second Vice Foreign Minister Chun Young-woo visited Washington last week to set the stage for the revision of the agreement, which expires in 2014. U.S. Deputy Secretary of State James Steinberg also implied that, with regard to the reprocessing of used nuclear fuel, which was the focus of the discussions, the two nations have undertaken a feasibility study on "pyro-processing."

Nuclear reprocessing is a pending issue at the national level. As of 2008, spent nuclear fuel stockpiled in atomic power plants amounts to over 10,100 tons. If the use of electricity continues to grow like this, the ROK will have more than 50 nuclear plants by 2100. For the safe disposal of nuclear fuel which will have been accumulated by then, we should find bedrock or a blanket of mud at a depth of about 500 meters and dig a 14 km²-wide pit. An appropriate alternative to this is to reprocess used nuclear fuel for energy production and reduce nuclear waste.

Under the U.S.-ROK peaceful nuclear cooperation agreement, which stipulates, "If (the ROK) wants to change the shape and substance of used nuclear fuel, it should seek the consent of the U.S.," the ROK has not attempted to reprocess spent nuclear fuel. Just as choosing

nuclear power for energy production is a matter of sovereignty, so is reprocessing used nuclear fuel. The U.S. already allows Japan to reprocess its spent nuclear fuel. Now is the time for the U.S. to show a forward-looking attitude in pushing for the revision of the agreement so that the ROK will also be permitted to reprocess its spent nuclear fuel.

The reprocessing technology used by France and Japan goes through the process of extracting plutonium, a raw material for nuclear weapons, and reduces the quantity of nuclear waste by only five percent. However, "pyro-processing," a new technology being studied by the ROK, does not produce plutonium and cuts the amount of nuclear waste to one tenth. The U.S. also has an accumulated 77,000 tons of spent nuclear fuel. A study on pyro-processing could be a win-win solution for both nations.

The revision of the agreement is a sensitive issue related to the North Korean nuclear issue. The U.S. is concerned about the impact of nuclear reprocessing on nuclear proliferation. Ever since the ROK adopted the Joint Declaration of the Denuclearization of the Korean Peninsula in 1992, it has adhered to the principle of zero tolerance for a nuclear North Korea. The ROKG needs to argue in a dignified manner that the peaceful use of nuclear energy is our goal.

STEPHENS